

## Regional Advocates in Action Across the U.S.

by Rebecca Krafft, Editor

For the Office of Advocacy to represent small business, it is crucial we hear from them. Advocacy's 10 regional advocates travel all over their regions to facilitate conversations within their communities and bring concerns back to the nation's capital. Their outreach gives them the opportunity to receive input directly from small business owners across the United States. With this feedback, they provide Advocacy with solutions to advance the views and concerns of small business before Congress, the White House, and the federal agencies.

Regional advocates maintain an open dialogue with small businesses in their area. Throughout the year, they participate in a variety of

outreach activities: convening small business roundtables, visiting and listening to small business owners, and representing the Office of Advocacy at various public events. By traveling across the region and speaking with different small business owners and entrepreneurs, they hear firsthand about the best practices for small business owners to succeed in America. We are a nation of innovators, and without opening up the conversation across the country, we would lose out on some of the best ideas from small business minds.

To learn more about the regional advocates, turn to pages 4 and 5 of this issue or visit [www.sba.gov/advocacy/855](http://www.sba.gov/advocacy/855).

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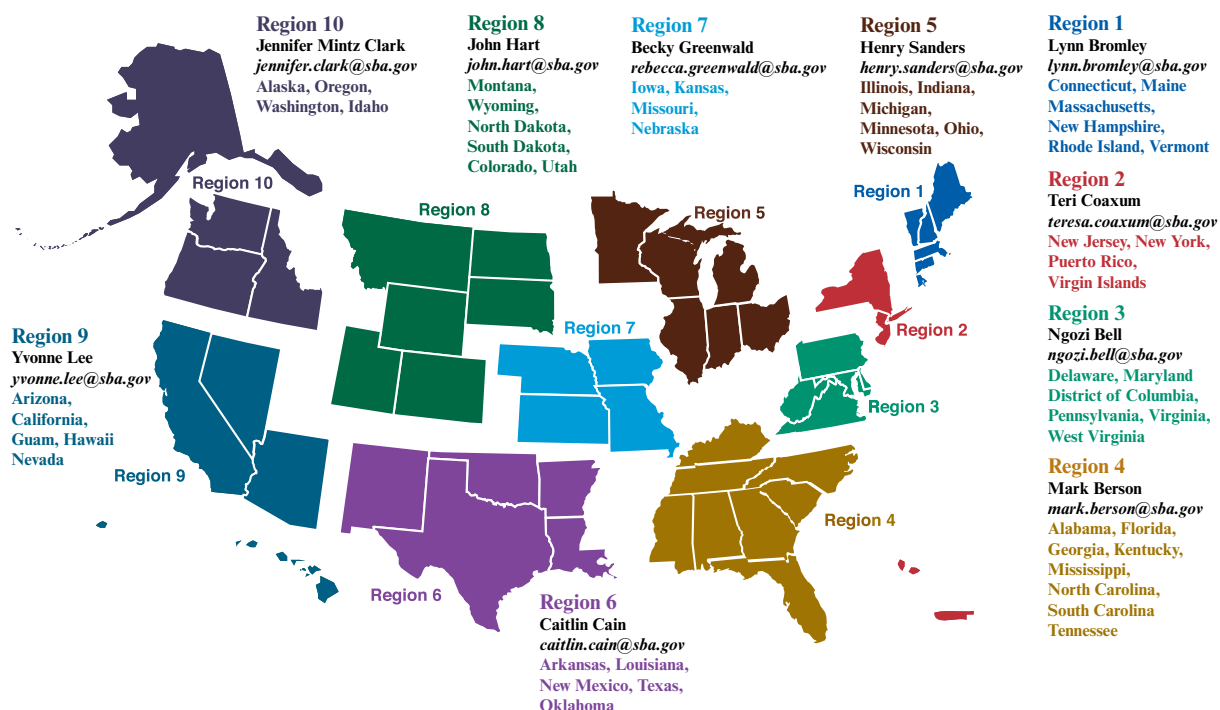
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## The Office of Advocacy's Regional Advocates



### EPA Roundtables: Small Businesses and Small Business Stakeholders Discuss Upcoming Regulations with EPA Representatives

by Kevin Bromberg and Sarah Bresolin Silver, Assistant Chief Counsels

In June and July, the Office of Advocacy hosted two roundtables to discuss upcoming environmental regulatory issues affecting small entities in America.

On June 21, Advocacy brought together small businesses and environmental specialists to discuss the impact of EPA's soon-to-be-released draft multi-sector general permit (MSGP) for stormwater. This permit governs discharges of stormwater for timber, chemicals, mining, and other industries in states where EPA is the permitting authority, and it serves as a model for similar permits in other states.

Under the Clean Water Act, EPA and states generally require industrial facilities to obtain permit coverage for their stormwater runoff, either through individual permitting or a general permit like the MSGP. These permits typically require the facility to make regular reports on its stormwater discharges and to develop a stormwater control plan for the site. A manager of a small business automobile recycling facility in Virginia provided an overview of how stormwater permitting affected his facility, and two environmental attorneys demonstrated the overall impact of the potential MSGP permit for stormwater. Advocacy anticipates that EPA will issue a draft permit for comment within a few months.

On July 19, Advocacy hosted three EPA officials for a roundtable discussion with small business entities. Lynn Vendinello of the Office of Pollution Prevention and Toxics (OPPT), Jan Matuszko of the Office of Water, and James Covington of the Engineering and Analysis Division addressed three

rulemakings currently under an open comment period.

Lynn Vendinello, chief of the Fibers and Organics Branch in OPPT, presented information on two proposed rules: Formaldehyde Emissions Standards for Composite Wood Products and Third Party Certification Framework for Formaldehyde Emissions Standards for Composite Wood Products. EPA estimates that nearly 879,000 small businesses will be affected by the proposed rules.

A variety of businesses and home manufacturers use certain wood products that emit formaldehyde. These businesses span the supply chain: from panel manufacturer, importer, fabricator, wholesaler, distributor, retailer, and organic chemical manufacturer. The rules are modeled after the California Air Resources Board's Composite Wood Products Airborne Toxic Control Measures. The standards increase the cost and administrative burdens on a large number of small businesses.

Following EPA's presentation, participants discussed several small business concerns. These include confusion over the proposed rules' applicability, absence of a *de minimis* exemption, and the inclusion of laminators in the definition of hardwood plywood. Vendinello answered questions and encouraged participants to submit detailed comments with supporting economic and scientific evidence where possible. Comments on the Third Party Certification rule are due August 26. Comments on the Formaldehyde Emissions Standards rule are due September 9.

Jan Matuszko, division chief in EPA's Office of Water, gave a

presentation on Proposed Effluent Guidelines for the Steam Electric Power Generating Category. This proposed rule would amend the effluent limitations guidelines and standards for wastewater discharges from power plants operating as utilities that were originally promulgated in 1974. EPA estimates that it will affect between 250 and 500 small entities that own about 200 steam electric plants. They include small independently owned utilities, rural electric cooperative-owned utilities, and small municipal-owned utilities.

The Steam Electric portion of the discussion centered on EPA's analysis of the small business economic impacts and the magnitude of the water pollution. Participants suggested that going to zero discharge would be very expensive for small plants. They also contended that removing small amounts of pollution would

*Continued on page 8.*

#### The Small Business Advocate

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## Message from the Chief Counsel

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### New England: America's Collaboration Headquarters

by Dr. Winslow Sargeant, Chief Counsel for Advocacy

Growing up, we learn the value of a team. Whether we get an A on a group project or become the point guard in high school basketball, we understand the importance of working together toward a common goal. As adults, we sometimes forget the necessity of teamwork; instead, we put competition on a pedestal. We believe success only comes when we have surpassed our competitors. However, it's another story in New England—the ecosystem of innovation through teamwork.

Last month, I traveled to America's collaboration headquarters on the University of Maine campus in Orono, Maine, and in the Boston Innovation District. Lynn Bromley, Advocacy's New England regional advocate, accompanied me on the trip. Lynn covers Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and Connecticut.

My trip took me from student laboratories to entrepreneurial apartments. Whether I sat down with student inventors creating businesses and new jobs in Orono after graduation or accelerators hoping to empower more entrepreneurship in Boston, the collegial vibe filled the atmosphere.

Unlike in our nation's history where universities were solely educational institutions, the University of Maine sees itself not only as a place of learning, but also a place of entrepreneurial growth through collaboration. The campus is transforming itself into a 21st-century center for innovation, and it is accomplishing its mission by capitalizing on technological innovations developed within the community. While students and professors are joining forces to solve

problems through research, they are also taking the research to market.

For example, in the Advanced Structure Composites Center, UMaine students and professors worked together to create the Bridge-in-a-Backpack. In this case, transforming a class project into a product for public consumption, Bridge-in-a-Backpack's efficient assembly process and lightweight manufacturing parts resulted in

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**“Supporting student enterprise...creates local job opportunities helping eliminate the brain drain post-graduation.”**

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six bridge building contracts in Maine alone. Moreover, supporting student enterprise leads to a twofold positive impact on the rural Maine community. Number one, it brings economic growth to the region, and number two, it creates local job opportunities helping eliminate the brain drain post-graduation. UMaine is ahead of the game, and their innovation-nurturing environment will be a model for fellow universities and colleges across the country for years to come.

Leaving campus, I was thinking my trip could not get any better than a university educating students and generating jobs. But, life never ceases to amaze me, and the people in the Boston Innovation District were every bit as impressive.

I started my morning in Boston surrounded by leaders from area incubators, accelerators, and workspaces. Again, the name of the game was the same: collaboration.

The Boston Innovation District is home to office communities—an

environment where one location houses multiple startup companies. The concept allows for different companies to bounce ideas off one another, creating an innate support system. However, collaboration in the innovation district goes beyond the walls of their workspaces. It starts from the very beginning when a startup is searching for the perfect place to set up shop. If the first site an entrepreneur visits is not the right fit, they are sent to the guy next door to see if that works for them. Everything is about group effort over competition, and it is working. The Boston Innovation District has brought more than 4,000 jobs to Boston since its inception in 2010.

Companies are choosing Boston as a place to get down to business, and around the corner they find the place to call home. In addition to communal offices, Boston architects have created entrepreneurial apartments, small living quarters for those that spend more time at the office than in their living room. Forget the years spent in your dormitory—as an adult your apartment can be within walking distance from your next gazelle and your neighbor could be the next Mark Zuckerberg. The collegial atmosphere continues.

While competition is necessary, we must remember the importance of collaboration. A university and rural community are better off when students work with professors and private companies to develop life-changing products and local jobs. A city finds unbelievable success when the community stands together in the face of global competition. And our nation overcomes adversity when we stand united.



## Regional Roundup

### Advocacy's Regional Advocates: Identifying Barriers, Seeking Best Practices, Bringing Big Ideas Back to Washington



Region I Advocate Lynn Bromley (second from right) with Jake Ward, Chief Counsel Sargeant and Habib Dagher at the wind blade testing facility at the Advanced Structures and Composites Center at the University of Maine.



Region II Advocate Teri Coaxum (second from left) and Chief Counsel Sargeant hear small business concerns in a meeting with business leaders at Brooklyn's Borough Hall.



Region III Advocate Ngozi Bell (second from left) convened a two-day event in Pittsburgh in March as part of Advocacy's listening initiative, "Small Business and Government: Maximizing Entrepreneurship, Driving Innovation."



Region IV Advocate Mark Berson (left) visits Sinmat, a high-tech manufacturing company in Gainesville, Fla. With him are Rajiv Singh, vice president and CTO; Deepika Singh, president and CEO; and Chief Counsel Sargeant.

### Regional Advocates Shine a Light on Local Innovation Efforts

As regional advocates make direct contact with small businesses, they share their experiences on Advocacy's blog. Some recent blog articles are listed below. To read them, visit <http://weblog.sba.gov/blog-advo>, and search for any keywords in these titles.

- Region III: Engaging Pittsburgh and Its Expanding Innovation Economy
- Region IV: Gatorade, Football, and a Goldmine for the University of Florida
- Region VI: Entrepreneurial Energy and Crazy Ideas Abound at NOEW 2013
- Region VII: Innovation, Bioscience and Development Thrive in America's Heartland
- Region VIII: Missoula Chamber Meeting Considers State of Small Business in Montana
- Region X: From the Drawing Board to the Marketplace in 6 Months





Region V Advocate Henry Sanders (center) and Chief Counsel Sargeant lead a small business roundtable in Wisconsin.



Region VI Advocate Caitlin Cain and Chief Counsel Sargeant tour the Michoud Assembly Facility at the National Center for Advanced Manufacturing at NASA's New Orleans East site.



Region VII Advocate Becky Greenwald and Justin Hernandez, owner of New Generation Construction, tour the St. Michael's Catholic School construction project on a blustery day in southeast Lincoln, Nebraska.



Region VIII Advocate John Hart addresses the Missoula Chamber of Commerce during the annual State of Missoula Commerce Report. The event focused on the small business health of Montana's second largest city.



Region IX Advocate Yvonne Lee (right) meeting with San Francisco Mayor Edwin M. Lee and Assistant Chief Counsel Janis Reyes (left) during recent small business meetings.



Region X Advocate Jenn Clark at Groundforce Manufacturing in Post Falls, Idaho. From left: Ron Nilson, president and CEO; Chief Counsel Sargeant; Jan Scharnweber, Panhandle Area Council; Wallace Hsueh, Senate Small Business Committee; Clark; Mike Matthews, Senator Jim Risch's office.

### New Staff and Interns on Board

by Kathryn Tobias, Senior Editor

This summer, the Office of Advocacy welcomes three permanent staffers plus two legal interns.

“With excellent research, institutional small business knowledge, and fresh ideas, the Office of Advocacy continues our mission to serve as the voice for small business in the nation’s capital,” said Chief Counsel for Advocacy Winslow Sargeant. “I am pleased to welcome new members to our team in the D.C. office. Small businesses move our country forward, and I know the bright minds at the Office of Advocacy will help bring American entrepreneurship into the age of innovation.”

### Janemarie Mulvey Appointed Director of Economic Research

The Office of Advocacy’s new chief economist and director of economic research is Janemarie Mulvey, Ph.D. Mulvey came to Advocacy in July from the Congressional Research Service. There she applied her expertise in health care financing, tax, and employment issues to policy analysis, including an analysis of the Affordable Care Act’s impact on small businesses. Previously, she was director of economic affairs for the College of American Pathologists and director of economic research for the American Council of Life Insurers. She also served as chief economist for the Employment Policy Foundation. In this position, she analyzed policy related to employer benefit, compensation, and compliance costs and authored *The American*



*Workplace: The Changing Nature of Employee Benefits*. Her previous work with the Research Information Center for Towers Watson, Urban Institute, and AARP also focused on various tax, regulatory, workforce and employee benefits. Throughout her career she worked closely with congressional and regulatory constituencies and served as media spokesperson on key policy findings.

Mulvey earned a Ph.D. in economics from George Mason University, and bachelor’s and master’s degrees in economics from the University of Maryland.

### Entrepreneur in Residence Mark K. Harrison Joins Advocacy

Mark K. Harrison has joined the Office of Advocacy as its entrepreneur in residence. Harrison has sat on all sides of the table, combining experience in government, the private sector, and law. Most recently, he was president of the Business Consortium Fund, a not-for-profit corporation affiliated with the National Minority



Supplier Development Council. The fund provides financing, business advisory services, and educational programs to minority entrepreneurs. In that capacity, he developed and implemented two new financing programs, an advisory service, and an educational program.

Harrison served as deputy director of the Investment Financing Group (IFG) for the Maryland Department of Business and Economic Development in Baltimore; there he managed programs making venture capital investments in early and seed stage technology companies. He served as a Maryland assistant attorney general and legal counsel to the IFG from 1994 to 1999 and worked with the U.S. Securities and Exchange Commission from 1990 to 1994.

Harrison earned his *juris doctor* degree from the University of Maryland School of Law in Baltimore and a bachelor of science in business and marketing management from Cornell University.



## **Intern Seeta Rebbapragada Focuses on Procurement**

Seeta Rebbapragada comes to Advocacy from the George Washington University Law School, where she is a third-year student. She earned bachelor's degrees in public relations and political science from the University of Florida. Rebbapragada is interested in procurement, which she sees as the "intersection of business and government." She has previously interned in the procurement law division of the Transportation Security Administration and the contracts and business management department of Computer Science Corporation. Through a Six Sigma team project, she worked to improve CSC's contract modification approval process. In her current research, she is examining strategic sourcing—the government's efforts to spend more wisely through volume discounts and reduced price variability.



## **Intern Daniel Kane Studies Medical Device Approval Process**

Advocacy summer intern Daniel Kane is combining his training as a law student with his undergraduate expertise in biomedical engineering to look at the challenges of the medical device approval processes at the Food and Drug Administration. Kane comes to Advocacy from the Columbus School of Law at the Catholic University of America, where he is a *juris doctor* candidate. He earned a bachelor of science in biomedical engineering at the George Washington University in June 2012. In his college career Kane has had a variety of experiences, from competing in the George Washington University Business Plan Competition (where he advanced to the semifinals), to coordinating logistics for 12 different commencement ceremonies.



## **Jonathan Porat Joins the Office of Economic Research**

Economist Jonathan Porat joined Advocacy's Office of Economic Research on July 1. Porat comes to Advocacy from the Office of Management and Budget's Center for Information Technology Management. There he designed and communicated economic and management analytics for several OMB offices. Previously, as a student volunteer with OMB's Office of Information and Regulatory Affairs, Porat critiqued, conducted, and presented economic analyses on proposed regulations concerning energy efficiency, air quality, oil and gas drilling, and airplane safety. During this period, he also worked with the Department of Veterans Affairs, where he evaluated the efficiency of a national veteran disability compensation system by analyzing data on veterans' disabilities and calculating the resulting loss in earnings.

Porat earned a master's of public policy with a concentration in applied economics and regulatory policy from the George Washington University, and a bachelor of arts in economics from the University of Florida in Gainesville.

# Number of Small Business Loans Going Out the Door Increases in 2012

by Kathryn Tobias, Senior Editor

While overall small business lending continues to decline, the steep decline of recent years has slowed, underscoring the belief that the credit crunch is leveling off. More importantly, the total number of loans increased: additional loans in the hands of small business owners emphasize improvement in the access to capital landscape for America's entrepreneurs.

After falling the previous year, the total number of small business loans under \$1 million increased by 10.4 percent. All of the gains were in commercial and industrial loans under \$100,000. Nearly 21.3 million of these micro business loans were issued as of June 2012, a 12.3 percent increase over the previous year's total of 18.9 million.

Total lending to businesses in amounts under \$1 million declined by 3.1 percent. However, it was an improvement over the 6.9 percent

decline in 2011. The total value of small business lending in June 2012 was \$587.8 billion, down from \$606.9 billion in 2011. In contrast, lending in amounts over \$1 million increased by 12 percent, compared with an increase of 5.8 percent in 2011.

These and other lending trends are detailed in Advocacy's annual report, *Small Business Lending in the United States 2012*. The report contains state-by-state rankings and information on all U.S. lending institutions that file Consolidated Reports of Condition and Income (Call Reports) or Community Reinvestment Act reports (including savings banks, cooperative banks, savings and loan associations, and commercial banks).

Small businesses use the report to identify small business-friendly lending institutions in their community, while banks use it to analyze

the competition in their market. For the full report, visit [www.sba.gov/advocacy/7540/719311](http://www.sba.gov/advocacy/7540/719311).

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## Environmental Roundtables, from page 2.

not be cost-effective, given EPA's perceived overestimation of the pollutant discharge. Due to a lively in-depth discussion about the current EPA rulemakings, the roundtable continued for an extra hour.

Advocacy will continue our outreach with several upcoming site visits to panel and furniture manufacturers regarding the formaldehyde regulations, and we will continue to reach out to small business entities to address their regulatory concerns with upcoming regulations for steam electric power plants and stormwater.

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